



NATHAN FLETCHER

CHAIR

**SUPERVISOR, FOURTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

AGENDA ITEM

DATE: November 2, 2021

TO: Board of Supervisors

SUBJECT

ESTABLISHING THE SAN DIEGO REGIONAL FILM OFFICE (DISTRICTS: ALL)

OVERVIEW

Throughout the State of California, local governments have invested in their local economies by supporting the film industry. This investment helps create well-paying careers and opportunities for future careers for our youth, with the additional benefits of increased economic activity and enhanced civic pride.

The City of San Diego hosts the San Diego Film Office, but a regional film office could greatly enhance film production in our region. The San Diego region would benefit from a coordinated effort from the City of San Diego, County of San Diego, and Port of San Diego to create a Regional Film Office. With 18 incorporated cities, the Port, and the unincorporated areas, it would be advantageous to have an organization representing the entire region, since filmmaking activities move around to multiple locations.

Today's action requests that we begin the initial steps to establishing a new Regional Film Office, and creating a viable film industry in San Diego County.

RECOMMENDATION(S)

SUPERVISOR NATHAN FLETCHER

1. Direct the Chief Administrative Officer to negotiate the establishment of a San Diego Regional Film Office with the City of San Diego, the Port of San Diego, and any other interested parties, and bring back a recommendation in May 2022 on the type of entity, governance structure, and long-term funding sources that are deemed most beneficial for the jurisdiction partners. As part of the negotiations, refer to the guiding principles outlined in the Background of this board letter.
2. Direct the Chief Administrative Officer to add to the County's Legislative Program support for legislation that would provide financial incentives and opportunities for films produced in San Diego County.

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EQUITY IMPACT STATEMENT

Previous iterations of film offices and commissions within San Diego County have had a net positive economic impact on our local economy. During the 35 years of existence of the San Diego Film Commission, there was an estimated \$63.7 million in estimated production company spending in our region.¹ There were two years (2005 and 2007) where an estimated \$100 million was generated for our region. Production crews could spend between \$250,000 and \$300,000 per day to support operations.

These economic benefits reverberate through our region, including supporting hotels, catering companies, our transit system, and our local film workforce. I hope that the Regional Film Office will be intentional about providing access to communities of color across the region, at all levels. This includes educational opportunities to enter the industry, to the jobs it will indirectly impact in sectors that were disproportionately impacted by the COVID-19 pandemic (such as hospitality, tourism, mobility, and restaurants).

FISCAL IMPACT

Funds for today's recommendation in the amount of \$200,000 are included in the Fiscal Year 2021-22 Operational Plan in the Finance and General Government Group Executive Office. The funding source is available General Fund fund balance. Staff will return to the Board with the final fiscal impact following negotiations.

BUSINESS IMPACT STATEMENT

Creating a Regional Film Office will enable cascading economic impacts for San Diego businesses associated with the film industry, as well as secondary benefits to businesses that serve and facilitate the development of our local film industry.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Throughout the State of California, local governments have invested in their local economies by supporting the film industry. This investment helps support well-paying careers and opportunities for future careers for our youth, with the additional benefit of encouraging civic pride.

The San Diego region would benefit from a coordinated effort from the City of San Diego, County of San Diego, and Port of San Diego to create a Regional Film Office. With 18 incorporated cities, the Port, and the unincorporated areas, it would be advantageous to have an organization representing the entire region, since filmmaking activities move around to multiple locations. A Regional Film Office can help create a viable film industry in San Diego County.

The San Diego Film Commission was the first film office in the State and was the State's third largest film production center. Studios who wanted to film in San Diego enjoyed the remarkable

¹ <https://www.voiceofsandiego.org/topics/news/fact-check-hollywood-spending-in-san-diego/>

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scenery for their film shoots and the logistical support that only a dedicated film office can provide. San Diego historically had one of the state's most efficient and responsive film commissions, and the California Film Commission along with the entire production community relied on their assistance and expertise for decades.

The San Diego Film Commission was then housed in the San Diego Tourism Authority after being an independent organization for almost thirty years. Before the acquisition, it was regarded as one of the most effective organizations in providing support and economic development in San Diego but was eliminated in 2013. In 2016, the City of San Diego established the San Diego Film Office, which plays vital regional roles in facilitating permitting, connections to the state, and managing resource databases. This Office is funded by the City, but included some one-time funding support from the County.

Southern California is a leader in the world in film production. Elsewhere in California, the film and television industry is booming due to the current tax incentives but we are barely benefiting in San Diego. In today's highly competitive, global entertainment production market, we need to stay competitive. Films such as Top Gun 2, and other opportunities are starting to return, and capitalizing on them now is critical now more than ever before. The exploration of new financial incentives, both at the state and local levels, will be integral to the success of attracting films to San Diego County.

The San Diego Film Office has played a leadership role in our region, and we have staff at other agencies who also help facilitate permitting, connections to other jurisdictions, and other resources. Because there is not a centralized clearinghouse, local government staff help facilitate connections to other jurisdictions for permitting and to conduct outreach and marketing. While there are a number of films produced in San Diego County each year, our region could attract substantially more films with a more robust approach.

We can change this by creating a Regional Film Office and allocating resources to bring films to San Diego, lift up talent, and support our local workforce. Today's action directs the Chief Administrative Officer to negotiate the creation of a Regional Film Office with the City of San Diego, the Port of San Diego, and other interested parties, and to refer to the following guiding principles as a means to guide discussions and establishment of such an office.

Guiding Principles for a Regional Film Office

Create an Independent, Self-Sustaining Structure: The San Diego Regional Film Office should be a standalone non-profit entity supported by local government agencies, such as the County of San Diego, City of San Diego, and Port of San Diego, and other interested parties. Support and commitment from these entities are important, given that some of the chief functions of a Regional Film Office are to liaise with government agencies, facilitate permitting, and support the San Diego region in attracting more films. Other jurisdictions, such as in the greater Los Angeles area, have created a Joint Powers Agreement among participating parties and then created a non-profit organization. There are other structures that may also facilitate a successful Regional Film Office.

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While support from local municipalities may be necessary in the early years of its existence, I hope the Regional Film Office will become self-sustaining through partnerships with film industry, corporate sponsorships, events, private donations, tax incentives, grants and advertising on web resources. As part of the discussions with regional partners, agreement on funding structure and sources would be determined.

This would be structured to be a one-stop shop for the entire County and all incorporated and unincorporated cities.

Encourage Marketing and Promotion of the San Diego Region: A Regional Film Office can help facilitate marketing and promotion of the San Diego region as a filming destination. While individual jurisdictions engage in some marketing and promotion currently, a Regional Film Office represents an opportunity to enhance and build upon these existing efforts. Specifically, a Regional Film Office should feature the following:

- An innovative website that includes robust resources including access to all regional permitting sites;
- Support for regional film-friendly hotel accommodations & discounts with area restaurants, businesses, transit, and mobility providers, including in coordination with the Business Improvement Districts;
- Co-branding opportunities with local businesses and organizations;
- Support for cultural and film events in San Diego, such as Comic-Con and film festivals;
- Online newsletter and blog that documents current filming activity;
- Utilize the State of California's \$330 Million Dollar Tax Incentives; and
- Connecting filmmakers and producers with local talent and workforce, including students at community colleges and universities.

Provide Much-Needed Technical Services: A Regional Film Office can provide producers and filmmakers with technical services that facilitate easy use of the San Diego region for filming. At a future date, this could also include the implementation of a model film ordinance that would help create streamlined policy rules for filming across all local jurisdictions. These technical services should include, but not be limited to, the following:

- Expand upon the existing digital location library (Reel Scout) to include 360 panoramic views and video;
- Expand upon the existing database of filming location images;
- An online permitting tool that is coordinated across regions as a "one-stop shop;"
- Dedicated community and municipal film liaison(s), who can assist with scouting locations and verifying professional licenses;
- Expedited access for government properties; and
- Partnerships with communities and community-based organizations to ease and mitigate any issues that may arise from filming.

Provide Economic Benefits: According to the California Film Commission, the motion picture industry employs an estimated 250,000 Californians. Film production is a clean industry and produces a quick injection of revenue to the local community. When a feature film production goes on location it can require that the production team stays with the cast and crew at local hotels for two to six weeks, and depending on the film, even longer. These productions can spend an average

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of \$50,000 per day when filming in an outdoor location, although previous estimates from San Diego were much higher. At a future date, a regional economic study could be commissioned to demonstrate the positive economic benefits in the San Diego region. A Regional Film Office should be structured to maximize the local and state economic benefits. The exploration of state financial incentives to bolster the San Diego film industry could also be a boon to our capacity to increase the number of films produced in San Diego. A financial incentive pilot program could be explored and added to the County's 2022 Legislative Program. The creation of production facilities in our region could also help attract studios and films to our region.

Support Local Talent: San Diego is home to a local film crew base, many of whom have extensive experience working in Los Angeles and Hollywood. In San Diego, IATSE Local 122 has been providing well-trained, professional crews for everything involved with productions in San Diego since 1905. With approximately 1400 experienced technicians on the current roster, they remain a valuable resource for local and incoming television and film projects. A Regional Film Office is well poised to utilize existing local talent, union members, and to expand the pipeline of new jobs, including partnerships with local universities and community colleges to provide onramps into the industry, with a focus on building a pipeline in BIPOC (Black, Indigenous, People of Color) communities that have not had access to enter this predominantly white industry.

Foster a Linkage with Baja California: San Diego is part of a binational region with Baja California. One of our assets is the easy connection with Baja California, including the robust film industry and locations that have emerged in Mexico. A Regional Film Office can support and bolster these binational relationships, and encourage connectivity and innovation.

Today's action proposes the creation of a Regional Film Office in coordination with the City of San Diego and Port of San Diego, and other interested jurisdictions. These guiding principles identify important considerations that should be reflected as part of these negotiations and any final structure.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to create a San Diego Regional Film Office supports the Operational Excellence Strategic Initiative in the County of San Diego's 2021-26 Strategic Plan by ensuring that the filmmakers, producers, and talent have access to utilizing the services and opportunities provided to create film in San Diego.

Respectfully submitted,

CHAIR NATHAN FLETCHER
Supervisor, Fourth District

ATTACHMENT(S)

N/A

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